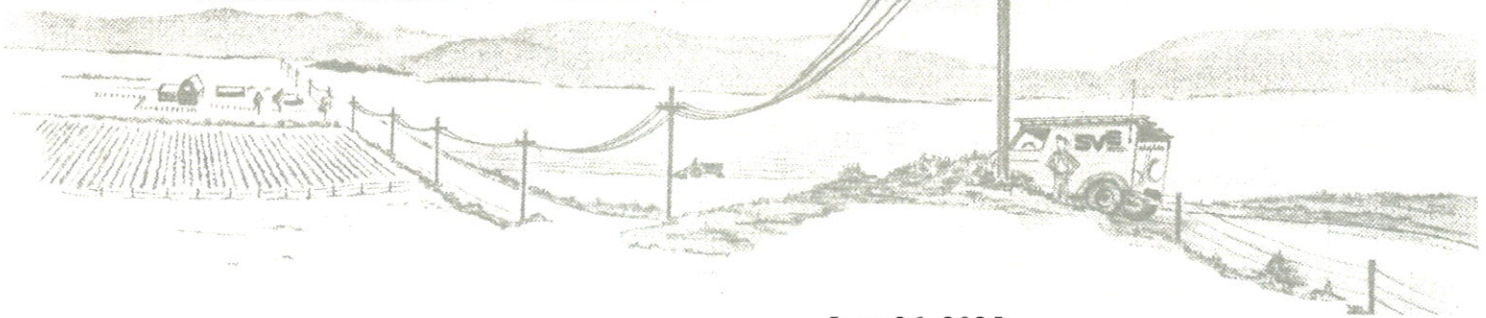




**SURPRISE VALLEY  
ELECTRIFICATION CORP.**

800 W. 12TH ST.  
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ALTURAS, CA 96101  
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June 26, 2025

**Re: Whether capital credits unclaimed for four years after multiple written notices should be absorbed by the Cooperative or paid to the state government**

Dear Members of the Cooperative,

As co-owners of Surprise Valley Electrification Corporation ("SVEC" or "the Cooperative"), all Members periodically receive a share of any of the profits the Cooperative receives on its operations (known as "capital credits"). These capital credits are provided either through direct offsets on current Members' accounts or, if a Member moves away, by mailed check. However, sometimes a former Member fails to claim their refunded capital credits, leaving a pool of unclaimed capital credits.

**If capital credits are not claimed for a long time, these credits can be absorbed by the Cooperative or sent to the state government, depending on state law.** Since the Cooperative operates in three states (California, Nevada, and Oregon), our situation is complicated. While Nevada and Oregon allow the Cooperative to use unclaimed capital credits to offset operating costs, California does not allow SVEC to absorb and use the unclaimed credits unless our Bylaws clearly allow us to do so.

To ensure that all of our Members are treated the same, the Board of Directors proposes to amend the Cooperative's Bylaws to reflect the Oregon approach—allowing unclaimed capital credits to be used to offset the Cooperative's costs. The specific amendment would add the following language as Section 9.04 to the Bylaws:

*If a patron's capital credits retired by the Cooperative remain unclaimed by that patron, or by that patron's successor in interest, for a period of not less than four years after the date on which notice was initially provided to such patron, then the unclaimed capital credit refunds may revert to the Cooperative, so long as (a) the Cooperative provides six months' prior written notice both by mailing to the last-known address of the patron shown in the Cooperative's records and by publication in a local newspaper of general circulation; and (b) the Cooperative does not receive any written objection prior to reverting the unclaimed capital credit.*

**If approved, this Bylaw amendment would allow capital credits that have not been claimed for four years to be used to reduce the Cooperative's operating expenses.** The Board of Directors urges the Membership to support this important change. No other changes are being proposed.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dennis Flynn", is written above the printed name.

Dennis Flynn, President  
Surprise Valley Electrification Corp. Board of Directors

P.S. The Cooperative maintains a current list of all unclaimed capital credits on our website, here: <https://www.surprisevalleyelectric.org/unclaimed-capital-credits>.